

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2959 - HB 3049

February 8, 2010

SUMMARY OF BILL: Increases the amount a health care provider may charge for copying and mailing a patient's records from \$20 for 40 pages or less in length and \$0.25 per page beyond 40 pages to \$20 for 5 pages or less in length and \$0.50 per page beyond 5 pages. Establishes a fee not to exceed \$50 for records provided in digital format and a fee not to exceed \$20 for each record sent certified that requires notarization.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$7,900/Recurring/Health Related Boards
Increase State Expenditures - \$7,900/Recurring/Health Related Boards
\$237,500/FY10-11

Increase Federal Expenditures - \$1,230,000/Recurring

Other Fiscal Impact – In FY11-12 and subsequent years, \$237,500 in Family Assistance Medical Evaluation Unit Funds will be budgeted for with Temporary Assistance for Needy Families (TANF) Grant operational funds resulting in a decrease in funds for other operational needs of the TANF program.

Assumptions:

- According to the Department of Health, the Office of Investigations for Health Related Boards will incur an increase in expenditures to health care providers increasing fees to provide patient records requested as part of an investigation.
- In 2009, the Office of Investigation requested copies for approximately 86 cases. The average amount charged per case by providers for copying medical records was \$93.90 for 336 pages per case.
- The proposed fee increase will result in 336 pages costing \$185.50 [(336 pages – 5 pages) x \$.50 + \$20].
- The fee increase will result in an average increase in charges to the Office of Investigations of \$91.60 per case. The total increase will be approximately \$7,877.60 (86 x \$91.60) per year.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all health-related boards are required to be self-supporting over a two-year period. As of June 30, 2008, the Division of Health

Related Boards had a balance of \$1,000,000. The Division's FY08-09 balance is not yet available.

- Any board that is not able to cover the increased costs of the investigations will increase fees in an amount sufficient to cover the costs.
- According to the Department of Human Services, the Disability Determination Services Division (DDS) requested 246,000 medical records in FY08-09 and the Family Assistance Medical Evaluation Unit (MEU) requested 47,500 medical records.
- DHS estimates that each record averages 15 pages resulting in an increase of \$5 per record [(15 pages – 5 pages) x \$.50].
- The DDS is 100 percent federally funded. These record requests will result in an increase in federal expenditures of \$1,230,000 (246,000 x \$5).
- The MEU record requests will result in an increase in expenditures of \$237,500 (47,500 x \$5). In FY10-11, these additional funds will be state funds. In FY11-12 and subsequent years, the additional MEU funds will be budgeted into the federal Temporary Assistance for Needy Families (TANF) grant operational funds resulting in a decrease in TANF funds for other operational expenses.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/kml